

**No. J-11013/41/2006-IA.II(I)**  
**Government of India**  
**Ministry of Environment and Forests**

Paryavaran Bhawan  
CGO Complex, Lodi Road  
New Delhi - 110 003

Dated 26<sup>th</sup> April, 2011

**OFFICE MEMORANDUM**

**Sub: Corporate Environmental Responsibility.**

**(A) Background**

The Ministry of Environment and Forests has notified various Acts and Rules for environmental governance. The Environmental Impact Assessment (EIA) Notification, 2006 elaborates the procedure for seeking environmental clearance and preparation of Environmental Impact Assessment Reports and Environment Management Plans. However, there is a need to integrate the environmental concerns including those related to forestry, wildlife and bio-diversity, wherever applicable, into the main stream of the Corporate Policies. It would, therefore, be appropriate that the Corporate Houses, major Public Sector Undertakings (PSUs) and Companies have in place Corporate Environmental Policies for protection of environment.

2. In light of the recommendations made by the Committee on Monitoring of projects, a separate Office Memorandum was issued on 6<sup>th</sup> April, 2011 to stipulate additional conditions in respect of major projects which have already been accorded environmental clearance.

3. Now the matter has been further reviewed and deliberated to bring into focus environmental commitment in the Corporate sector, so that all the project proponents integrate environmental concerns into their day - today - functioning especially the compliance with the conditions of the clearances.

**(B) Corporate Environment Policy**

In view of the above, it is felt appropriate that all the major PSUs and Companies, as detailed in Section 'C' below, need to :

- (i) Adopt well laid down Corporate Environment Policy;
- (ii) Ensure, as a part of this Policy, adherence with the environmental clearances and forestry clearances wherever applicable, granted to the Company;
- (iii) Ensure that inter-alia the Company functions in conformity with the Policy;
- (iv) Ensure that deviations, if any, from this Policy and cases of violations of environmental and forestry clearances conditions that have been found by this Ministry or other public authorities should be duly reported to its Board of Directors and desirably reflected thereafter on its website and its Annual Report;
- (v) Identify and designate responsible person(s) at all levels of their hierarchy for ensuring adherence to this Policy and compliance with Environmental Laws and Regulations

These measures to promote environmental consciousness and secure compliance will surely protect the project's stakeholders just like financial systems and audit mechanisms protect the shareholders of a company.

**(C) Major PSUs and Companies**

The above measures may be adopted by major PSUs and Companies namely;

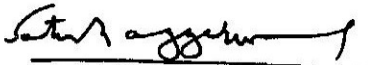
- (i) All Central PSUs
- (ii) All Major Projects
  - Coal Based Thermal Power Plants with capacity of 500 MW and above
  - Integrated Steel Plants with capacity of 1 MTPA and above and
  - Cement Plant with capacity of 3 MTPA and above
  - Petroleum Refining Industries

The respective EACs would henceforth suitably incorporate appropriate Terms of Reference (TOR) in respect of the status of Corporate Environment Policy and its implementation, as at B above, which would need to be addressed in the EIA/EMP Reports. For all projects proposals in future at the appraisal stage the EACs and FACs where appropriate, would deliberate on the aspects related to the Corporate Environment Policy, especially with regard to adequacy and comprehensiveness.

**(D) Other Projects not covered in (C) above**

In respect of projects proponents other than those specified in Section C above, the respective EACs and the FAC, where applicable, on a case to case basis, based on sectoral imperatives, locational aspects, size of the company, past track record etc. may stipulate, through a speaking recommendation, the course of action as in Section B at TOR or appraisal stage, as the case may be.

This issues with the approval of the Competent Authority.

  
**(Dr. S.K. Aggarwal)**  
Director

**To**

1. All Officer of the IA Division
2. Chairperson/Member Secretaries of all the EACs/SEIAAs/SEACs

**Copy to:**

1. PS to MEF
2. PPS to Secretary(E&F)
3. PPS to SS(JMM)
4. Adviser(NB)
5. Website of the MoEF
6. Guard File